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# MANAGEMENT COUNCIL NEWSLETTER

U. S. Department of Agriculture

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A summary of significant events of  
interest to USDA management

Issue #3

January 23, 1975

FEB 14 '79

PROCUREMENT  
CURRENT

## MANAGEMENT AND BUDGET

NFC PHASES IN ADDITIONAL PAYMENT SERVICES....On February 2, 1975, NFC will implement processing payments for (1) over-the-counter commercial purchases, (2) retail gasoline credit card purchases, and (3) commercial telephone service. (Contact: Tom Gildea, OMF, ext. 75630.)

USDA RELEASES W-2's....The Department decided not to compete at any cost with other agencies to be the first to release W-2's. NFC programmed this job into its normal work schedule, avoiding the payment of overtime and undue disruption of work, and still got them out by January 17. The law requires notification to employees by January 31. (Contact: Leo Palensky, OMF, ext. 77251.)

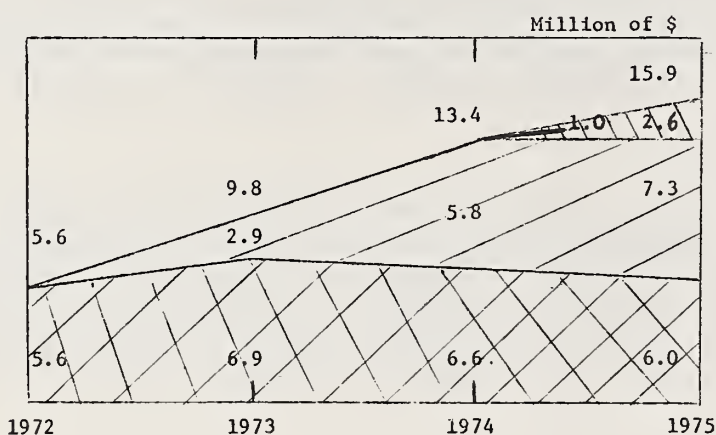
AGENDA ESTABLISHED FOR MANAGEMENT COUNCIL MEETING IN NEW ORLEANS....  
Some of the key topics to be discussed follow:




- Overview of NFC - Background, Organization, Functional Objectives
- Communications - Problems and Means of Improvement
- Payroll and Personnel System
- Administrative Payment Systems
- Systems Design and Development - NFC Concept
- Practical Applications and/or Demonstrations - Tour of NFC and NOCC
- Uniform Accounting System - Concept, Systems Approach, Implementation Plan
- Personnel Data Base - Problems and Alternatives for Implementation
- NFC Cost and Billing Structure - Discussion of NFC Costs and Basis for Allocating Costs to Agencies

(Contact: J.P. Bolduc, SEC, ext. 77247.)

NFC COSTS TO REACH \$18 MILLION....(Second in a series on administrative overhead in the Department.) The working capital fund has grown dramatically since 1972 with much of its growth due to creation of the National Finance Center. As the graph below shows, NFC has grown from \$5.6 million in FY 1972 to an estimated \$15.9 million in FY 1975, and may go to \$18 million by the end of FY 1976.

NATIONAL FINANCE CENTER  
Total Costs, FY 1972-1975



-  Research and Development
-  Voucher Payment Services
-  Payroll and Personnel Services

The chart also shows that:

- Most of NFC's growth is due to creation of the new voucher payment center, now costing over \$7 million annually
- Despite inflation, payroll services costs have risen only 7 percent since FY 1972
- Research and development expenses, primarily for central accounting, have risen to \$2.6 million

The central voucher system itself was created to cut costs as well as improve service . . . In house agency costs for voucher services in FY 1970 were estimated at \$7.7 million with 860 personnel, and were projected to increase to more than \$10 million in FY 1976. With the new center, voucher services are now expected to cost about \$8 million, a possible savings of around \$2 million. (Contact: Bill Holcombe, OMF, ext. 72370.)

## FISCAL AND ACCOUNTING

\$100 STATUTORY CEILING ON VOUCHER SAMPLING REMOVED....P.L. 93-604 authorizes the Comptroller General to prescribe the limitation on the amount of any voucher examined for payment using statistical sampling procedures. GAO expects to issue instructions setting the ceiling at about \$300 within a few weeks. USDA strongly supported this legislation and provided data, compiled by NFC, showing that significant savings would result. NFC now estimates a savings of at least 10 man-years. All agencies are expected to follow sampling procedures to the extent they find them economical and effective. (Contact: Alan Strelser, OMF, ext. 73226.)

TRANSPORTATION AUDIT FUNCTIONS TRANSFERRED FROM GAO TO GSA BY P.L. 93-604. General responsibility for the initial audit of transportation payments to carriers and forwarders will be transferred between October 1, 1975, and September 30, 1976. GAO will retain authority to conduct final audits as it does for other government disbursements. (Contact: Alan Strelser, OMF, ext. 73226.)

## PERSONNEL

STAFFING PLANS PROGRESS FOR COMMODITY FUTURES TRADING COMMISSION....The Commission will be independent and will absorb the functions of CEA. USDA will provide administrative support until the Commission's establishment in April 1975. (Contact: E. Toth, OP, ext. 76104.)

ASCS COUNTY OFFICE EMPLOYEES BEING SEPARATED DUE TO REDUCTION IN WORK-LOAD....These approximately 800 employees do not have Civil Service status, but they do have a knowledge of USDA programs. USDA Agencies have been encouraged to consider these employees for vacancies in the competitive service. (Contact: E. Toth, OP, ext. 76104.)

USDA TO PARTICIPATE IN CSC SICK LEAVE STUDY....FY 1975 sick leave usage for eight different samples of employees in 22 Federal agencies will be surveyed. (Contact: Verna Deane Brown, OP, ext. 73641.)

GAO AUDITING MODE PERSONNEL/PAYROLL SYSTEM....The MODE System was chosen for this audit because of its size, scope, and responsiveness. It has been considered by CSC to be the best personnel/payroll system in the Government. The purpose of the audit is to find those attributes of the System that could be utilized by other Government Agencies. (Contact: K. Bradley, OP, ext. 73641.)

## NEW PUBLIC LAWS BENEFIT FEDERAL EMPLOYEES....

### Retirement:

P.L. 93-260 reduces the marriage requirement for entitlement to survivor annuity from two years immediately prior to death to one year. This change is not retroactive. (Contact: J. Entwistle, OP, ext. 73408.)



P.L. 93-273 establishes a minimum monthly rate for a Civil Service retirement annuity equal to the Social Security minimum. Section 2 grants a \$240 increase in any annuity of a former employee based on separation occurring before October 20, 1969, and a \$132 increase to a survivor (except a surviving child). (Contact: J. Entwistle, OP, ext. 73408.)

P.L. 93-350 permits the Head of an Agency, with the concurrence of an agent designated by the President, to determine and fix minimum and maximum age limits on original appointments to law enforcement and firefighting personnel. (Contact: E. Toth, OP, ext. 76104.)

P.L. 93-350 also changes retirement computations of these personnel. Mandatory retirement is set at age 55 with 20 years of service. These employees may retire at age 50 with 20 years service, with no reduction in annuity for each year under age 55, as was formerly the case. They shall pay 7 1/2 of salary for these benefits. (Contact: J. Entwistle, OP, ext. 73408.)

P.L. 93-406 authorizes studies of Government pension plans by congressional committees, to determine the adequacy of existing participation, vesting, funding, and fiduciary provisions. (Contact: J. Entwistle, OP, ext. 73408.)

P.L. 93-474 provides for eliminating, during periods of nonmarriage, the annuity reduction a retiree takes in order to provide a surviving spouse with an annuity. (Contact: J. Entwistle, OP, ext. 73408.)

Health Benefits: P.L. 93-246 increases the Government's contribution to the cost of health benefits for Federal employees to 60% of the average high option of the various participating plans effective the first pay period on or after January 1, 1975. Carriers participating in the health benefits program are required to comply with Civil Service Commission decisions in health benefits claims disputes. (Contact: J. Entwistle, OP, ext. 73408.)

Injury Compensation: P.L. 93-416 overhauls and liberalizes the injury compensation benefits system for Government workers. Any employee who sustains a disabling, job-related traumatic injury is now entitled to continuation of regular pay for a period not to exceed 45 workdays. (Contact: J. Entwistle, OP, ext. 73408.)

SECRETARY NAMES TOP AIDES... Evan J. Hale, currently Administrative Assistant to the Secretary, will become Executive Assistant to the Secretary on February 17. John F. Weidert will become Administrative Assistant to the Secretary on that date. He is now Assistant to the Administrator, ASCS. Mr. Hale will replace Donald E. Brock, who will leave government service to assume management of family owned businesses. (Contact: J. McDavid, COMM, ext. 74026.)

FEDERAL LABOR RELATIONS COUNCIL DECISION PERMITS CERTAIN ACCESS TO SUPERVISORY PERFORMANCE APPRAISALS OF OTHER EMPLOYEES....The Complainant filed an unfair labor practice charge alleging that he had been the subject of discrimination because of his actions in filing grievances. He contended that others whose performance was no better than his own, or not as good, were not treated equally. He argued that, if he had access to the supervisory performance appraisals of these others, he could demonstrate the alleged discrimination. The decision permits employees to request that other employees' performance appraisals be furnished to a hearing officer of the Assistant Secretary of Labor to sustain a claim of discrimination. (Contact: A. Seeger, OP, ext. 76955.)

MINUTES AVAILABLE OF THE FALL MEETING OF THE JOINT COMMITTEE OF THE USDA AND THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES ON EDUCATION FOR GOVERNMENT SERVICE....The meeting focused on changes in college curriculums concerning plant protection and environmental studies to better prepare students for the world of work. (Contact: Maria Volpicelli, OP, ext. 73185.)

NOMINATIONS FOR 1975-76 PRESIDENT'S EXECUTIVE INTERCHANGE PROGRAM DUE IN OP BY FEBRUARY 14, 1975....The Program provides Federal and private sector executives the opportunity to work in the other sector for a one-year period. USDA has been asked to nominate five to ten candidates and to identify at least ten positions or potential job areas for interchange executives from the private sector. Copies of the Program brochure, nomination form, and position description form will be furnished to Agency heads through their Assistant Secretary. (Contact: Patricia Killen, OP, ext. 75625.)

SRS AIDS EMPLOYEES AND STUDENTS THROUGH AGGRESSIVE PROGRAMS....

In 1965 and 1966, a GS-2 file clerk and a GS-4 statistical clerk demonstrated their interest in computers, initiative, and sustained work performance to SRS. The Agency recognized their potential and provided the necessary training and advancement opportunity and in 1974 both became GS-11 computer programmers. (Contact: B. Birdsong, OP, ext. 72973.)

Four specialized statistics courses, taught by an SRS systems analyst, were added to Tennessee State University's curriculum. The one-year program, begun in 1973, has resulted in SRS hiring three qualified minority statisticians. A long-range curriculum is now being jointly developed which may lead to computer science degrees. (Contact: B. Birdsong, OP, ext. 72973.)

DEPARTMENT INCREASES SPENDING FOR EEO FROM \$7.5 MILLION IN FY 1974 TO \$9.1 MILLION IN FY 1975....The upward mobility program alone increased \$1.5 million, reaching a funded level of \$2.5 million. Another 16 percent increase in the EEO area is expected in FY 1976. (Contact: Alex Becerra, OMF, ext. 72370.)

## ADMINISTRATIVE OPERATIONS

USDA'S PROPOSED MASTER AGREEMENT FOR CONSULTING SERVICES RULED IMPROPER....The Comptroller General in Decision B-182337, January 20, 1975 ruled that our proposal for a master agreement for consulting services was "unduly restrictive of competition . . . and, therefore, improper." Our proposal was seen as a "mechanism for prequalification of offerors" which by limiting the number of firms that could compete for any specific job was ". . . in derogation of the principal tenet of the competitive system that bids or proposals be solicited in such a manner as to permit the maximum amount of competition consistent with the nature and extent of the services or items being procured." Forms of prequalification have been permitted in the past on a showing that the restrictive procedures were essential to assure the procurement of a satisfactory end product---eliminating administrative burden does not meet the test of essentiality. We must, therefore, continue to solicit this work on an individual project basis and will not be able to take advantage of the shortened lead time and reduced costs that would have resulted from our master agreement proposal. Our evaluation of offers did result in a roster of superior firms that may be used for our consulting needs in the D.C. areas. That roster will be sent to agency procurement offices. (Contact: Dean Smith, 00, ext. 77527.)

MINORITY ENTERPRISE PROGRAM TRANSFERRED FROM 00 TO OEO....The Rural Minority Business Assistance Division will monitor and assist Department procurement and grant activities that impact on minority business enterprises. (Contact: J. Fred King, OEO, ext. 77117.)

GSA AND FEA TO BEGIN ENERGY VISITS TO FIELD IN LATE JANUARY....The Baltimore area will be visited first. The five-fold purpose is to:

1. Establish a better dialogue among agencies at the local level.
2. Help to determine the level of implementation and compliance of the provisions of FMC 74-1, "Federal Energy Conservation."
3. Better understanding of the creative initiatives taken by individual facility managers in reducing energy consumption in buildings, vehicles and employee parking.
4. Document the successes in mission or program areas not covered by FMC 74-1.
5. Determine what new policies should be implemented should the supply of fuels be curtailed in the future.

(Contact: K.H. Boyer, 00, ext. 77557.)



## CENTRAL SERVICES

### ADS OPERATING UNDER NEW ORGANIZATION STRUCTURE....

A.T. Devlin, Asst. Director, Operations: responsible for the overall management and operation of ADS's computer centers;

R.J. Long, Asst. Director, Program Modifications: responsible for planning, implementation and installation of new computer systems being acquired for ADS's computer centers;

Vacant - Asst. Director, ADP Systems Development: responsible for overall policy and planning development for Departmental ADP resources including: Telecommunications, agency applications requirements, standards, and data base development. (H.W. Meetze, Director, ADS, will assume this role until vacancy is filled.)

(Contact: Dan Merritt, ADS, ext. 73027.)

PHASE I STATUS OF ADP APPLICATIONS SURVEY DEADLINE UPCOMING....22 agencies were contacted regarding the February 17 deadline. Of the sixteen agencies responding, five plan to submit responses prior to the deadline and eleven will meet the date. (Contact: Joe Erb, ADS, ext. 72803.)

## OTHER

COMMISSION ON FEDERAL PAPERWORK ESTABLISHED....On December 27 the President signed P.L. 93-556 which creates a temporary commission to study Federal paperwork. In signing this, the President stated that two main features set this commission apart from previous attacks on the paperwork problem:

- It has a broader scope in that it will look at laws, regulations, rules, policies, procedures, and practices related to the gathering, processing and dissemination of information; and
- Its membership will include representatives of legislative and executive branches of the Federal Government along with State and local governments, industry and the public.

The Commission has been directed to report within a year. (Contact: Steve Dewhurst, OMF, ext. 73045.)

PRESIDENT NOMINATES JAMES T. LYNN TO BE DIRECTOR OF OMB....On January 1 President Ford nominated James T. Lynn to succeed Roy A. Ash as Director of OMB. Mr. Lynn has served as Secretary of HUD since February 2, 1973 and previously was Under Secretary of Commerce. This nomination requires Senate approval. (Contact: Steve Dewhurst, OMF, ext. 73045.)

HOUSE CHANGES JURISDICTION OF AGRICULTURE APPROPRIATIONS SUBCOMMITTEE....  
 Activities remaining under the Subcommittee are the Food and Drug Administration and the Department of Agriculture, less the Forest Service.  
 (Contact: Chuck Jewell, OMF, ext. 76176.)

DEMOCRATIC MEMBERS CHOSEN FOR HOUSE APPROPRIATIONS SUBCOMMITTEES ON AGRICULTURE AND INTERIOR....

Agriculture

Mr. Whitten, Miss., Chairman  
 Mr. Shipley, Ill.  
 Mr. Evans, Colo.  
 Mr. Burlison, Mo.  
 Mr. Natcher, Ky.  
 Mr. Casey, Tex.  
 \* Mr. Baucus, Mont.  
 \* Mr. Passman, La.

Interior

Mr. Yates, Ill., Chairman  
 Mr. McKay, Utah  
 Mr. Long, Md.  
 Mr. Evans, Colo.  
 \* Mr. Murtha, Pa.  
 \* Mr. Duncan, Ore.

\*New Members

(Contact: Chuck Jewell, OMF, ext. 76176.)

REP. FOLEY, WASHINGTON, ELECTED CHAIRMAN OF HOUSE AGRICULTURE COMMITTEE....He replaces Rep. Poage, Texas. (Contact: Jan Bucknell, OMF, ext. 74678.)